

041/002 Incoming



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Ken May, General Manager
597 South SR 24
Salina, UT 84654
(435) 286-4400 - Office
(435) 286-4499- Fax

3884
K

August 16, 2011

Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Yard Hoist, Coal and Sand & Salt Bins – 2nd Submittal, Canyon Fuel Company, LLC,
Sufco Mine, C/041/0002, Task ID #3884

Dear Permit Supervisor:

As per the Division conditionally approval letter dated August 10, 2011, please find enclosed with this letter eight clean copies of the updated bonding calculation page with corrected escalation factor along with completed C1 and C2 forms.

If you have any questions or need additional information, please contact Mike Davis at (435) 286-4421.

Sincerely,
CANYON FUEL COMPANY, LLC
Sufco Mine

A handwritten signature in blue ink, appearing to read 'Kenneth E. May'.

Kenneth E. May
General Manager

Encl.

KEM/MLD:kb

cc: DOGM Correspondence File

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RECEIVED
AUG 22 2011

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number:

C/041/0002

Title: Yard Hoist, Sand & Salt Bin, Coal Storage bins - 2nd Submittal

Description, Include reason for application and timing required to implement:

With construction of new West Lease Portals & Belt the Yard Hoist, Coal Storage bins & Sand & Salt Bin need to be relocated by Aug 15th.

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain:

- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☒ Yes ☐ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☒ Yes ☐ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- ☐ Yes ☒ No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

KENNETH E. MAY

GENERAL MANAGER

3/16/11

Signature (Right-click above choose certify then have notary sign below)

Print Name

Position

Date

Subscribed and sworn to before me this 16 day of August, 2011

Notary Public: *Jacquelyn Nebeker*, state of Utah.

My commission Expires:

Commission Number:

Address:

City:

State:

Zip:

SS:



JACQUELYN NEBEKER

Notary Public

State Of Utah

My Commission Expires 3/24/2015

Commission# 606049

For Office Use Only:

**Assigned Tracking
Number:**

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DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number:

C/041/0002

Title: Yard Hoist, Sand & Salt Bin, Coal Storage bins - 2nd Submittal

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

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Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,141,607.50
Subtotal Backfilling and Grading	\$548,005.00
Subtotal Revegetation	\$171,967.00
Direct Costs	\$1,861,579.50

Indirect Costs

Mob/Demob	\$186,158.00	10.0%
Contingency	\$93,079.00	5.0%
Engineering Redesign	\$46,539.00	2.5%
Main Office Expense	\$126,587.00	6.8%
Project Mainagement Fee	\$46,539.00	2.5%
Subtotal Indirect Costs	\$498,902.00	26.8%

Total Cost

\$2,360,481.50

Escalation factor

0.017

Number of years

5

Escalation

\$207,580.00

Reclamation Cost Escalated

\$2,568,061.50

Bond Amount (rounded to nearest \$1,000)
2016 Dollars

\$2,568,000.00

Posted Bond

\$2,874,000.00

Difference Between Cost Estimate and Bond
Percent Difference\$306,000.00
10.65%